March 2025

Policy Brief

ENSURING LEGAL AND SOCIAL PROTECTION FOR STREET VENDORS: OVERCOMING ECONOMIC, REGULATORY, AND INSTITUTIONAL CHALLENGES

PROPOSED AND WRITTEN BY

MUHAMMAD SULAIMAN,
CHIEF EXECUTIVE
NATIONAL INFLUENCERS

ATTEQ UR REHMAN
RESEARCHER
NATIONAL INFLUENCERS

NATIONAL INFLUENCERS

Executive Summary

Street vendors are a key component of the informal economy, providing essential products while generating jobs in low-income regions. The study's goal is to examine the challenges that street vendors face while also highlight the wide range of services they offer to the community. The research also tries to analyze the issues that street vendors create to government authorities and the general public. The survey covers 174 respondents from different sectors. The study focuses on Board bazar market, Qissa-Khwani bazar, Bacha-Khan Chowk, and Sadar bazaar. The primary data were collected through a questionnaire from street vendors in different markets across Peshawar. The study show that 90% street venders lived in rented house. During vending these street venders face several challenges like harassment, bribe or pressure from different government authorities. The main reason for this unfair treatment is encroachment, illegal tax and resistant with authorities. Similarly, street vender also creates many problems for general public and government authorities. The common issue such as congestion and interruptions in public places, crowding, traffic congestion, and waste management issues that are face by authorities & general public. However, the study highlights that there is no clear rules or regulation or even vender Act for the rights of street vender. Based on survey from different official authorities it confirmed that there is no law for street vender but they follow the direction from high authorities to deal it them.

Introduction

Street vending is a vital activity for informal/unorganized sectors in low-income and developing countries (Baliyan & Srivastava, 2016). It is the group of people that do not fall under any governments or non-government administration due to no academic knowledge, experiences or enough investment (Dharejo et al.). Street vending is an easily accessible way to poor as well as lower-income individuals to do their businesses in central urban as well as in rural areas. Their income is enough and uncertain. These people are self-run businessmen who sell their products in public places or transport and shout in the streets. They neither enjoy their safety nor security at their workplace while they face harassment consistently from local administration. These self-run businessmen are called Hawkers, Peddlers or Street Vendors (Saha, 2011). In the Pakistani community, these are known by different names: (Rahri wala, pheray wala, theli wala). And sometimes they are known by their products like: (Sabzi wala and Phal wala).

Pakistan is a developing nation which has a greater street economy run by street vendors, across the country in both rural as well as urban areas. It is the informal economy that helps to provide income opportunity and livelihood to poor and unskilled labor to provide social and economic benefits to the economy (Martínez, Short, & Estrada, 2018). The street economy has a strong influence with the supply chain as compared to the formal and informal sector. Street vender is just the part of complicated supply chain as retail stores which are widely used in urban areas without knowing the economic impact or supply chain in Pakistan (Iqbal, Nawaz & Anwar, 2022). In Pakistan, the street vendor population is estimated to be at one million, generating roughly PKR 900 billion in yearly sales. Millions rely on this industry for a living, with an estimated 4 million people directly or indirectly involved in street vending across the nation. In Khyber Pakhtunkhwa (KP), over 150,000 street vendors work, generating income for roughly 600,000 individuals (human rights commission of Pakistan, 2023). It is necessary to evaluate the contribution of the Street economy in the whole economic scenario of the state due to the overwhelming presence of individuals and small enterprises. Due to Pakistan's informal nature, there are no clear estimates on the amount of street economy. Global studies indicate that the informal economy has grown strongly, impacting the daily lives of 5 billion people and surpassing $30 trillion ((Sirkeci, 2020). According to a PIDE report, street vending provides over 20 million job opportunities all over Pakistan. Also, labor force surveys mention that newly graduated students have one-third of a chance of getting jobs in the informal sector and generated over 36-43 billion revenue (Labor Force Survey, 2020-21).

Research Methodology

This study is based on primary data that gathered through a questionnaire from street vendors in different markets across Peshawar. The questionnaire was designed following the same procedure of Iqbal, Nawaz, and Anwar (2022), who conducted a similar survey in Islamabad and Rawalpindi as part of the "PIDE Street Economy Survey" to explore the street vending sector. The survey covers 100 street vendors, 20 police officials of 6 different police stations in Peshawar, 4 assistant commissioners, 2 deputy commissioners and 8 traffic police, 10 civil society members and 30 individuals (general public). The area which has more street vendors gets more importance as compared to other markets. As a result, the research focuses on the Board bazaar market, Qissa-Khwani bazar, Bacha-Khan Chowk, and Sadar bazaar. The questionnaire was also digitized using Microsoft Forms to collect data. After completing a pre-test survey in Khyber Bazar, we modified the questionnaire appropriately. In Peshawar, we collected data from SVs in important commercial locations to get insight into their economic operations, problems, and market dynamics.

1. Challenges faced by Street venders

This section focuses on the challenges that street sellers face, such as financial limits, supply chain concerns, lack of legal recognition, administrative barriers, and harassment. These issues affect their capacity to sustain and build their enterprises.

a) **Displacement From Vending Places**

The issue of eviction from vending places is a major challenge for street sellers, affecting their economic stability and livelihood security.

b) **No Legal Framework**

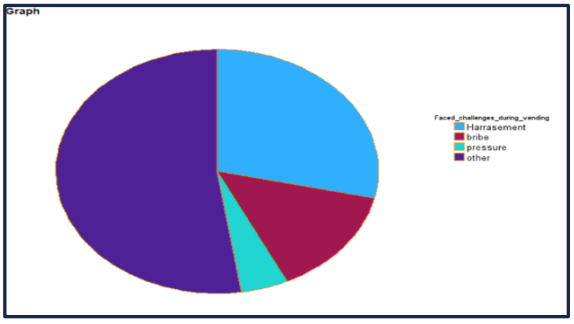
90.5% of vendors believe there is no legal framework that allows street selling, while 9.5% don't know about any legal framework for street

	Percent	*Cumulative Percent*
No	*90.5*	*90.5*
Don't Know	*9.5*	*100.0*

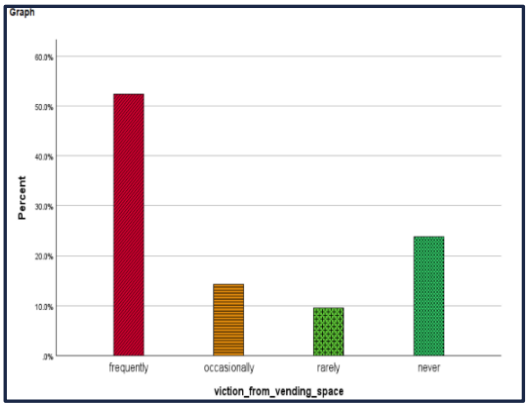
vendors. This shows a large empty space in the legal framework, with most vendors lacking legal security, perhaps resulting in problems such as frequent evictions and economic instability.

c) Challenges faced during vending

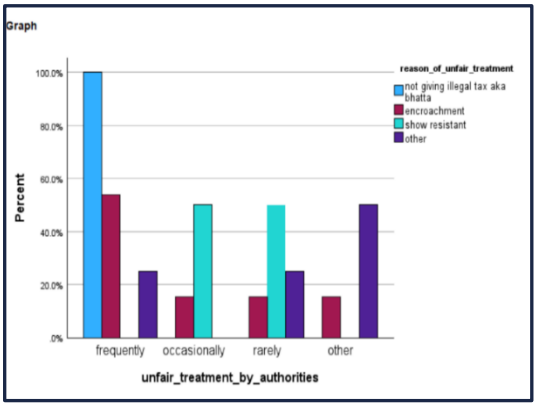
The findings show that street vendors face several kinds of challenges which affect their business operations such as harassment which show 28.6% of the total while bribe demands as 14.3% which are substantial challenges, frequently imposed by authorities or enforcement agencies. Additionally, 4.8% of vendors face pressure, which might be due to financial restrictions or rivalry. The majority (52.4%) describe additional hardships, such as evictions, poor working conditions, and economic insecurity.



- This unfair treatment or harassment faced by street vendors every time. Based on the



results, unfair treatment by authorities is a common problem among street vendors. 47.6 percent of vendors report frequently receiving such treatment, indicating ongoing administrative and enforcement challenges. Furthermore, 14.3 percent suffer occasionally, while 19.0 percent do so rarely,



indicating that the significance of the problem fluctuates by the vendor. Another 19.0 percent are in the "other" category, which might involve indirect abuse or unexpected penalties. These findings highlight the risky circumstances of street

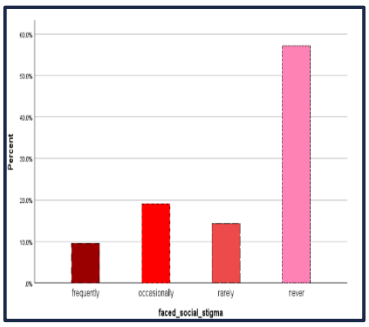
vendors, who sometimes do business without legal protection and are subject to random strategies by authorities.

- The primary cause for this unfair treatment is encroachment as stated by 61.9% of vendors, suggesting that authorities frequently target vendors for occupying public places. Furthermore, 9.5 percent suffer mistreatment for refusing to pay illegal taxes, sometimes known as "Bhatta," and another 9.5 percent for resisting enforcement measures. The remaining 19.0 percent are in the "other" group, which might include a variety of additional issues contributing to their difficulties.

d) Support and protection from Government

The street vender has no support and protection that are provided by the government. It means that there is no government initiative for street vendors but in some local market there is a temporary road line that are proposed by police officers to avoid traffic cognition and road blockage i.e. Board bazaar. Based on the result 52.4% of the vendors say that there are no such governmental initiatives

e) Issue of social stigma

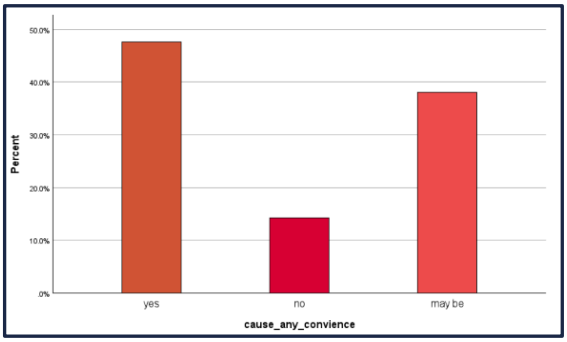


Street vendors experience social stigma with many being seen as illegal or disruptive. This results in discrimination, harassment, and eviction, affecting their incomes, social standing, and access to legal rights and support. The analysis on social stigma among vendors demonstrates various perspectives. A small percentage, 9.5%, reported frequently facing stigma, indicating Strong discrimination in their everyday work. Meanwhile, 19.0% reported experiencing it occasionally, indicating that stigma is situational and varies based on the circumstances. Furthermore, 14.3% reported rarely encountering stigma, meaning that, while it exists, it won't be a significant challenge for people. Notably, the majority, 57.1%, said that they had never experienced social stigma, indicating either more social acceptability or fewer contacts with discrimination in their community.

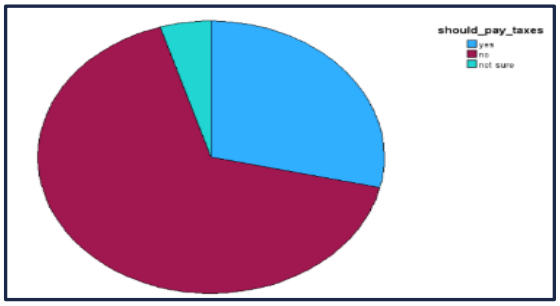
2. Challenges create by Street venders

Street vendors may cause issues in public places. They sometimes block sidewalks, cause pollution, and even cause traffic problems. In high-traffic vending areas, waste and hygiene issues might arise.

Street vendors are seen negatively by around 47.6% of respondents due to congestion and interruptions in public spaces. In contrast, 14.3% feel vendors cause no problems, while 38.1% are undecided, indicating that the impact varies depending on the circumstances. Furthermore,



66.7% of vendors say they do not pay taxes, most likely due to their informal status, low income, and role in offering inexpensive items.



3. **Challenges for legal Administration**

Regulating a street vendor provides significant challenges for legal authorities. One major difficulty is the lack of defined and clear policies, which make it difficult to identify between legal and illegal vendors. Enforcement is frequently inconsistent with some vendors receiving charges while others continue their business without restrictions. There is no specific law for government authorities to deal with street vendors. Even after an arrest, senior officials or authorities may allow vendors to be released. Local people also support them because they provide affordable products. Some people act like they are sick, crippled, or orphaned to avoid paying penalties. Also, corruption makes the process even more complicated since certain vendors use bribes to avoid charges or eviction. However, authorities struggle to keep public order without disturbing the daily lives of low-income people who depend.

Recommendations

1) Legal framework and protection:

Legal framework/recognition is one of the main challenges that are frequently faced by every street vendor during vending, which leads them to eviction, harassment, and exploitation. Governments should;

- Develop a legal framework that formally recognizes street vending as a proper economic activity.
- Implement an affordable and easier licensing system.
- Establish a Vender council that should be vendor-friendly that can register a complaint of street vendors.

2) Vending/Smart Zone

Informal vending frequently results in conflicts over the use of public areas, making it essential to establish a balance between economic opportunity and government order.

- To address this, authorities should establish designated selling zones where street vendors may operate without restriction.
- To provide a clean and functional environment, these zones should have important facilities such as trash disposal, sanitation, and electricity.
- Proper monitoring system or refine admirative mechanism.

The previous government initiatives about vending zones are just symbolic vending zones. There are no specific facilities such as no electricity, waste management or sanitation. Even there is an issue of TMA, NHA and Developmental authorities about revenue generation and location allotment.

3) Fair enforcement and regulation

Due to the lack of clear policies and regulation, street vendors are frequently harassed by authorities. To provide vendors with fair treatment, it is proposed that governments should

- Establish clear laws to prevent misuse of power by authorities.
- Instruct authorities about vendor rights, and
- Create independent agencies or improve the existing department of vigilance to oversee enforcement and avoid challenges.

4) Encouraging Financial Equality

Empowering street vendors with enhanced banking access can help them expand their businesses and increase their income. It proposed that governments and banks should

- Provide reasonable loans, small-business finance, and simple digital payment opportunities.
- Provide financial literacy to vendors, which will help them money management and business skills as they develop and enter the formal economy.
- Reduce documentation requirements (sludges) to facilitate street vendors.

5) Space and registration for street vendors

The city municipality should provide proper space for street vendors by constructing small shelters in which they can operate their activities without restriction. A systematic registration system should also be designed to officially recognize vendors and ensure their legal secure activities. This strategy will provide stability, prevent frequent evictions, and encourage an ordered economy.

6) Ensure a Better Future for Street Vendors

To improve street sellers' livelihoods, authorities must address the problems presented by city corporations, law enforcement, and traffic control authorities. Implementing fair requirements limiting excessive harassment, and promising legal recognition will allow vendors to operate without fear of eviction or abuse of power. Strengthening protects and promoting their rights would result in a more secure and fair working environment, allowing people to make significant contributions to the economy.

7) Communities and Associations

A cooperative policy approach is vital for supporting street vendors. Establishing vendor committees and organizations can help traders and authorities communicate more effectively, while NGOs can help with mapping and stakeholder engagement. This concept has been effective in India, supporting vendors in negotiating fair conditions, maintaining health care, and preventing evictions. Pakistan's Street Vending Bill aims to establish exact panels, promote vendor rights, and develop a more organized and secure environment.

8) Recognizing as street vendors as Revenue Sources

By implementing a fair and transparent licensing structure, the government can transform street vending into a consistent source of revenue. This would allow vendors to operate lawfully while paying registration fees and reasonable taxes. Instead of removing them, authorities should develop an organized system that provides necessary services to their enterprises. Introducing vendors into the official economy would not only increase tax collection, but will also encourage local development and create a well-organized business climate that benefits both vendors and the community.

9) Empowering Street vendors

should clearly define street vendors' rights, including financial assistance and financial support. It needs to provide funds to vendor communities for free legal assistance in disputes and the cancellation or suspension of license.

10) Facilitating Administrative Regulations

Street vendors have trouble managing government procedures due to their lack of education and low finance. Dealing with different departments might be challenging and costly for them. A single-window system would improve the process, allowing them to manage all legal and business issues in one place. This may reduce problems, remove unnecessary difficulties, and make it easier for vendors to conduct their businesses without additional pressure.

References

Agadjanian, V. (2002). Men doing "women's work": Masculinity and gender relations among street vendors in Maputo, Mozambique. The journal of men's studies, 10(3), 329-342.

Agadjanian, V. (2002). Men doing "women's work": Masculinity and gender relations among street vendors in Maputo, Mozambique. The journal of men's studies, 10(3), 329-342.

Baliyan, S. K., & Srivastava, V. D. (2016). Socio-economic condition of street vendors from the gender prospective. Journal of Economic & Social Development, 12(2), 66-75.

Barthelmes, L. (2015). Mobile street vendors in Hanoi: Features and dynamics of a distinct socio-economic group. Vietnam Social Sciences, 4, 73-82.

Bhowmik, S. K. (2005). Street vendors in Asia: A review. Economic and political weekly, 2256-2264.

Bhowmik, S. K., & Saha, D. (2012). Street vending in ten cities in India. Delhi National Association of Street Vendors of India.

Bhowmik, S. K., & Saha, D. (2012). Street vending in ten cities in India. Delhi National Association of Street Vendors of India.

Bhowmik, S. K., Saha, D., Bhowmik, S. K., & Saha, D. (2013). Introduction: Financial Inclusion and Street Vendors. Financial Inclusion of the Marginalised: Street Vendors in the Urban Economy, 1-17.

Blair, D. (1999). Street food vending and nutritional impact. Agriculture and Human Values, 16(3), 321.

Brown, A., Lyons, M., & Dankoco, I. (2010). Street traders and the emerging spaces for urban voice and citizenship in African cities. Urban Studies, 47(3), 666-683.

Cohen, M. (2000). Women street vendors: the road to recognition.

Cross, J., & Morales, A. (2007). Street entrepreneurs. People, place and politics in local and global perspective.

Dharejo, N., Jhatial, A. A., & Mahesar, H. A. A study of Socioeconomic Conditions of Street Vendors Sindh, Pakistan.